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ABSTRACT

Three presentations are provided from Symposium 14, Workforce Diversity, of the Academy of Human Resource Development (HRD) 2000 Conference Proceedings. "Cross-Organizational vs. Localized Participation: A Case Study on Workplace Diversity Dialogues Implementation" (Martin B. Kormanik, Daniel A. Krieger, Timothy E. Tilghman) compares dialogue from participants drawn from across the organization with others drawn from one organizational component. Discussion highlights strategies for implementation in the workplace, implications for practitioners, and suggestions for research. "Evaluation of Diversity Initiatives in Multinational Corporations" (Rose Mary Wentling) describes a study of eight multinational corporations and reports that, despite difficulty in determining the impact of diversity initiatives, corporations are making efforts to come up with measurements that can lead them to confirm the value that diversity initiatives have to the organization's profitability. "Change: The Japanese Workplace and the Aging Workforce" (Mary E. Repass, Letitia A. Combs) explores new trends that are occurring and have developed in the Japanese workplace; contributes to the understanding of changes occurring in the lives of the Japanese older worker; highlights the challenges and choices of future work for older adults in Japan; and generates research questions on the roles and workplace options for older adults. The papers contain reference sections. (YLB)

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Workforce Diversity

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Cross-Organizational vs. Localized Participation: A Case Study on Workplace Diversity Dialogues Implementation

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Dialogue encourages self-reflective conversation and inquiry that breaks through tension and conflict created by difference. Some organizations are exploring dialogue as one initiative in their diversity programming efforts. This case study of diversity dialogues implementation provides a comparison between one group of dialogue participants drawn from across the organization and a second group drawn from one particular organizational component. Discussion highlights strategies for implementation in the workplace, implications for practitioners, and suggestions for further research.

Keywords: Workforce Diversity, Dialogue,Group Composition

Multiculturalism. Managing diversity. Valuing diversity. Cultural diversity. Regardless of what it is called, diversity is a highly-charged topic in today's workplace. Workforce diversity has become a major area of focus in the contemporary organizational environment, with many organizations striving to increase the understanding and effective management of a diverse workforce through formalized diversity programs (Whittenburg, 1999; Wilson, 1997).

Formalized programs on diversity in the workplace generally include multiple components or initiatives (Kormanik, 1994), one example being diversity dialogues. The theory and practice of dialogue provides a process for opening up conversation that enhances awareness and understanding of controversial and divisive subjects (Roth, Herzig, Chasin, Chasin, & Becker, 1995). The dialogue process is now being applied as a model for enhancing awareness and understanding of workforce diversity issues (Todd, 1994). In these instances, the dialogue process is primarily designed to enhance individual growth and effectiveness through understanding, rather than focusing on organizational or work group effectiveness.

This paper presents an in-depth study of the implementation of a diversity dialogues initiative. The purpose of the study was to provide an explanatory narrative in a cross-case comparison of the implementation of two pilot dialogues. The narrative is augmented with descriptive statistics. This is not an assessment of the effectiveness of the diversity dialogues as a diversity program initiative. A comprehensive analysis of the efficacy of the initiative would require a long-term, posttest evaluation to ensure validity (Dixon, 1990). Rather, this is a case study of the implementation process, and a discussion of the lessons learned from that process.

Background

The problem section includes two areas. First is a description of the development of formalized diversity programs. Second is information on specific diversity program initiatives.

Development of Formalized Diversity Programs in Contemporary Organizations

The growing awareness of how our melting pot society impacts business has provided the impetus for diversity programs that help organizations deal with societal attitude and demographic changes (Caudron, 1993). It has been only since the late 1980s, however, that private sector organizations began committing the resources (e.g., time,

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money, people) to establish formal diversity programs. The broad scope of diversity programs in the workplace context has involved changing the culture of the organization to better manage the impact of changing workforce demographics and to fully capture the potential in a diverse workforce (Caudron, 1990).

Organizational effectiveness requires viewing broad diversity issues (e.g., communication, team building, interpersonal relations) as systemic in nature (Beer & Eisenstat, 1996; Denton, 1996). A diversity program, therefore, represents a long-term change process, not an isolated event (Caudron, 1993; Johnson & OMara, 1992; Winterle, 1993). It is not surprising that organizations with successful diversity programs have generally used a systems approach to program development (Laudicina, 1995; Rynes & Rosen, 1995). Diversity program development is also enhanced through a participative process involving many stakeholders (e.g., management, employees, customers) (Delatte & Baytos, 1993; Gunsch, 1993).

An organization development (OD) approach is often used in the process of diversity program development and implementation. The process starts with an organizational culture audit addressing the organization's informal culture, policies, and management practices. This serves as an organizational needs assessment (i.e., baseline study) and establishes a measure of the current status of the organization. From this baseline, management develops a comprehensive diversity strategy, including: the vision/mission for the diversity program; specific objectives the program is to achieve; specific actions, projects, and initiatives to undertake in support of the diversity program vision; supporting policies and procedures; and a plan for implementation. Senior management in organizations with successful diversity programs suggest that the success of the program is due to close alignment of the diversity program strategy with the organization's business strategy (Caudron, 1993).

Specific Diversity Program Initiatives

Diversity program objectives generally focus on three areas (Kormanik, 1994; Washington, 1995). Increasing representation of underrepresented groups is the first area. Increasing awareness and sensitivity is the second area. Developing an organization culture that supports change is the third area. Each of these foci have implications for planning specific diversity program initiatives.

When the diversity program objective is representation, initiatives concentrate on enhancing recruitment and retention efforts. These diversity initiatives are often unconsciously linked to affirmative action (Laudicina, 1995). Organizations establish affirmative employment programs focusing on the recruitment, advancement, and retention of underrepresented populations (Patterson & Sturdevant, 1980). When the diversity program objective is increased awareness, initiatives emphasize diversity factors associated with legislation under equal employment opportunity (EEO) (e.g., race, gender, religion) and provide a foundation for understanding the legal implications associated with managing diversity in the workplace (Laudicina, 1995). Awareness, skills, and education initiatives frequently emphasize sensitivity and understanding of particular ethnic group traits and behaviors. These programs may be designed to develop an individual's awareness of diversity issues from *pre-encounter* or *intellectualization* to *encounter*, *empowerment*, and *integration* (Kormanik, 1999). Some programs focus on changing workplace behaviors, and sometimes even attitudes. Often called *encounter* sessions, these Gestalt-based training programs provide the opportunity for developing new insights or changing old ones (Bayles, 1960).

When the diversity program objective is systemic culture change, program initiatives promote adaptation and organizational learning. Culture change initiatives entail examining the organization's informal culture, along with awareness and skill building activities that foster culture change. Examining organizational culture involves looking at the shared values and basic beliefs that employees use to govern their behavior (Schein, 1992). The organization culture, or "collective programming of the mind" (Hofstede, 1980, p. 13), may support or impede effective management of workplace diversity issues. Where the organizational culture impedes effective management of diversity, diversity initiatives are designed to promote culture change.

Implementation of Diversity Program Initiatives

According to Karp and Sutton (1993) effective diversity program initiatives include intact work groups to maximize the likelihood of cultural change. Bion's (1961) work with groups at the Tavistock Institute of Human Relations highlights the benefits of working with the group in which the individual functions, as opposed to working only with the individual out of the group context. Initiatives with participants from intact work groups fare better than those with "open" participation, allowing participants to relate first-hand to the diversity factors of the people that they work with on a day-to-day basis. Using intact work groups supports transference back to the workplace.

Hersey and Blanchard (1982) identify knowledge (i.e., facts, information), individual attitude (i.e., mindsets, values, biases, stereotypes), individual behavior (i.e., actions), and group behavior (i.e., mores, norms) as four

building blocks of change. Group behavior in this context corresponds to Hofstede's (1980) collective mental programming and Schein's (1992) organizational culture. Hersey and Blanchard suggest that change happens in one of two cycles. Change is either participative, based on personal power (e.g., personality, education, experience, expertise), or directive, based on position power (e.g., law, regulations, guidelines, rank, title).

A diversity program generally includes initiatives that entail participative and directive change cycles. Management has the power to mandate that all employees participate in diversity program initiatives (i.e., directive change). Conversely, participation in the initiatives increases the individual's knowledge base, providing motivation for the individual to change through a participative process (Abella, 1986). Knowledge gained from participation leads to individual attitude change, which theoretically leads to individual behavior change. Using Hersey and Blanchard's (1982) model for change, once a critical mass of individuals change their behavior, group behavior change occurs (i.e., organizational culture change). The change cycle is then complete.

A training initiative— the cornerstone of most diversity programs— is the mechanism most often used for accomplishing all three foci of diversity program objectives (Rynes & Rosen, 1995). Training, however, may be only one of many initiatives sponsored under the diversity program banner (Kormanik, 1994). Other examples include a "diversities day," formal recruitment programs, a poster campaign, EEO and legal issues seminars, brown bag discussions, guest speaker series, focus groups, team building retreats, and diversity dialogues.

Problem Statement

The lack of information on optimal strategies for diversity dialogues implementation in a workplace context is problematic, given the amount of resources (e.g., time, money) allocated to the implementation of a large-scale diversity dialogues initiative. Embarking upon a diversity program without having clear goals in mind can often create more problems and tension than if nothing had been done at all (Rynes & Rosen, 1995). Organizations who are undertaking diversity programs because "they are afraid of doing nothing" often wind up frustrated and troubled (Evans, 1995). Careful planning is needed to ensure alignment with the organization's diversity strategy and to optimize the success of each diversity program initiative.

Theoretical Framework

The theory and practice of dialogue focus on opening up conversations to enhance awareness and understanding of controversial and divisive subjects (Roth, et al, 1995). The dialogue process is often applied to discussions of polarizing societal issues like abortion, capital punishment, and gay marriage (Study Circles Resource Center [SCRC], 1993). Dialogues as a workplace diversity program initiative most directly address the diversity program objective of increasing employee awareness and sensitivity.

Dialogue, however, is different from sensitivity training, active listening, debate, and other such communication processes in that it is collaborative, with two or more individuals working toward finding common ground (SCRC, 1993). Dialogue "emphasizes the idea of a 'meaning' that flows between people from which emerges a greater understanding— possibly even a shared meaning" (Weinstein, 1995). Dialogue requires temporary suspension of one's beliefs, opening up to critical reflection, and reevaluation of underlying assumptions (SCRC, 1999). The open-ended nature of dialogue suggests that there are no "right" answers, nor is there a need to find a solution. It is the process of engaging individuals in the dialogue that is most important to the learning process.

One of the distinctions of adult learning is that adults have a life of experiences to draw from. An adult's "frames of reference" represents the assumptions through which they understand their life experiences (Mezirow, 1997). Frames of reference define the adult's life world and shape the adult's mental and behavioral activity. Adults tend to reject factors (e.g., ideas, values, associations, feelings, responses) which are not in sync with their frames of reference. Mezirow identifies "point of view" and "habits of mind" as two dimensions of frame of reference.

> "Habits of mind are broad, abstract, orienting, habitual ways of thinking, feeling, and acting influenced by assumptions that constitute a set of codes. These codes may be cultural, social, educational, economic, political, or psychological. Habits of mind become articulated in a specific point of view— the constellation of belief, value judgment, attitude, and feeling that shapes a particular interpretation" (p. 5).

Habits of mind and point of view are emblematic of Hersey and Blanchard's (1982) individual attitude construct.

Mezirow (1997) identifies four processes of learning: elaborating on one's existing view, identifying new points of view without changing one's own, transforming one's point of view, and transforming one's habit of mind. A diversity dialogue focuses on the transformative learning processes identified by Mezirow.

> "We can have an experience in another culture that results in our critically reflecting on our misconceptions of this particular group. The result may be a change in point of view toward the group involved. As a result, we may become more tolerant or more accepting of members of that group. If this happens over and over again with a number of different groups, it can lead to a transformation by accretion in our governing habit of mind" (p. 7).

The dialogue process is designed to transform point of view, reveal assumptions for reevaluation, and cause introspection on one's own position (i.e., challenge habit of mind) (SCRC, 1993). In Hersey and Blanchard's (1982) terms, the dialogue process is oriented toward participative change, rather than directive.

The dialogue process is structured to encourage the active involvement of all participants (Roth et al, 1995). Abella (1986) shows that getting people involved and showing application to day-to-day life, versus didactic presentation of theoretical or legal information, is the more effective methodology for a diversity program initiative. The dialogue structure also entails a dialogue group meeting at regular intervals to continue the questioning, listening, and reflection processes (SCRC, 1993). Part of the structure comes from a prepared package of materials comprised of a statement of the purpose of the dialogue, ground rules for participation in the dialogue, and an array of articles on the dialogue topic that provide a diversity of perspectives (SCRC, 1999).

The dialogue process indirectly addresses the diversity program objective of systemic culture change. Although dialogue is primarily oriented to the individual level of analysis, the process is also applicable to the organizational setting as a way of cutting through the communication barriers separating organizational subcultures (Schein, 1995). Over time, individuals within the same organization who engage in dialogue will develop shared mental models (i.e., frames of reference), including assumptions about the world, the way the things gets done, and the way things should get done (Boyett, 1995). Organizational learning occurs through the development of these shared mental models. Without shared mental models, organizational learning may be stifled because individual efforts might not be directed towards group or organizational goals.

Many authors suggest that a structured dialogue process involving critical reflection should be the foundation of effective action within any organization (Marquardt, 1999; Schein, 1995; Weinstein, 1995). Schein (1993) argues that "dialogue is necessary as a vehicle for understanding cultures and subcultures, and that organizational learning will ultimately depend upon such cultural understanding. Dialogue thus becomes a central element of any model of organizational transformation" (p. 40). Unlike many diversity initiatives, diversity dialogues move beyond shaping behaviors to changing personal attitudes and challenging prejudice and stereotypes. This change process is ideally suited to a diversity program initiative.

Research Questions

The purpose of this pilot study was to examine the process of implementing diversity dialogues in a workplace setting prior to undertaking a large-scale diversity dialogues initiative. There were two research questions: should dialogue participants be chosen from across the organization or from within a local jurisdiction, and what strategies should be used for implementing diversity dialogues in a workplace setting, given a particular organizational culture?

Methods

This was a study of a single entity bounded by time and activity. Lincoln and Guba (1985) suggest that such a case study be conducted in a natural setting, noting that phenomena "take their meaning as much from their contexts as they do from themselves" (p. 189). The organizational context provided the natural setting. Qualitative data was collected from multiple sources. The summaries of each of the dialogue sessions, developed by the dialogue participants and two of the authors, were the primary source of data. The third author provided personal observations as a key stakeholder. The qualitative data also includes first-hand observations from the authors' journaling during the duration of the study. Data came from other stakeholders, including the EEO Program Office, human resources, and management representatives. Physical artifacts were examined, including the organization's strategic plan, a recent employee opinion survey, diversity statement, and other documents.

The qualitative data was augmented with descriptive statistics. Quantitative data was collected using an instrument administered after the last dialogue session. Information on the validity and reliability of the instrument was not available prior to this study. The instrument asked for participants' reaction to the diversity dialogues initiative, as well as their perceptions on the dialogue process, its applicability to the organizational context, and whether the stated objectives for the diversity dialogues were met. The body of the instrument consisted of 32 statements. Participants responded to the statements by indicating "Strongly Agree," "Agree," "Undecided," "Disagree," or "Strongly Disagree." Thirteen of the rated statements produced data addressing the research questions in this study.

Data analysis included description and identification of themes in the findings and assertions. This study used a highly participatory mode of research, involving dialogue participants in every phase of the study. Dialogue participants provided notetaking during the dialogue sessions and member checking of the summary reports of prior dialogue sessions.

The Site

The site for this study (the Agency) was a 3,200-employee component of a larger Federal organization. The Agency's mission is scientific and extremely technical in nature. Primary focus and priority is given to technical issues. Technical proficiency is highly valued, and the Agency has a enjoyed a history of leading in technical competence. The high focus on technical competence has greatly de-emphasized the importance of "people" issues, leaving the perception that mediocrity on people issues is acceptable. As a result, the Agency has faced difficulty in recruiting and retaining employees. This compounds the issue of having a representative workforce and has brought the issue of workforce diversity to the forefront. A 1997 employee opinion survey and focus groups conducted in 1998 and 1999 also have increased attention to diversity issues.

Beginning with a 1987 retreat for key stakeholders, the Agency has conducted many diversity program initiatives. These initiatives have addressed all three areas of diversity program objectives identified earlier (e.g., demographic representation, awareness and sensitivity, systemic culture change). Specific initiatives have included training programs; the establishment of a multi-cultural advisory team; the development of a Diversity Management Plan in 1994; diversity "celebrations" with educational speakers, ethnic food, and entertainment representing different cultures; and several seminars that dealt with specific aspects of diversity in the workplace. Diversity dialogues were the latest in the series of planned diversity program initiatives.

Pilot Diversity Dialogues

An OD approach was used in planning the diversity dialogues initiative. Discussions with Agency representatives over several meetings and telephone conversations helped to assess the current state of the organization prior to the implementation, clarify the desired state, identify the barriers to attaining the desired state, and a plan of action for implementation. The project was intended to enhance personal growth and development, provide an opportunity for surfacing diversity issues, foster individual perspective and behavior change, and help participants understand and model appropriate work place behaviors. The project was *not* intended to provide an organizational solution to diversity issues, remedy the past, or replace other diversity program efforts.

Diversity dialogue sessions were envisioned as a follow-on training initiative that could have implications in various workplace settings. One such application was for intact work units to come together and engage in dialogue about diversity and related topics that affect the local work climate. Another was for "change agents" from across the organization to have a forum to discuss their experiences at the organization from a personal perspective and to be able to work together to make the organization more inclusive and effective in the future. These two perspectives resulted in the plan to pilot two diversity dialogues groups.

Twenty-five dialogue participants were purposefully chosen based on their interest or involvement in previous diversity activities or for having supported workforce diversity through their individual actions. It was assumed that these individuals could provide a balanced perspective on the diversity dialogues pilot. The 13 member "cross-organizational" group was contacted personally by a member of the staff of the Agency's Director and asked if they would be interested in participating. The 12 member "localized" group was chosen from one directorate within the organization. Participants were selected by the Directorate Head, who made personal contact with each participant by asking if they would be interested in participating. In both instances, participants were chosen to maximize the diversity in each pilot group, using such diversity factors as age, race, national origin, and occupation.

Using a structured framework to guide discussion , the diversity dialogues included 10, two-hour sessions were scheduled over a six month period. Initial sessions were scheduled one week apart, with the duration between

sessions expanding to four weeks by the last session. All dialogue sessions were conducted on-site, at various buildings in the Agency's campus-like setting. The first session was an orientation for all dialogue participants. Participants were given a dialogues package which included the project purpose and objectives, expectations, framework, schedule, excerpts from the Agency's Management Plan and values statement, and articles illustrating differing perspectives on diversity. A summary of the previous session was e-mailed to each dialogue participant several days in advance of each session. The facilitators opened each session by reviewing the summary and the expectations for the current session. The articles were used to stimulate thought and discussion. Several management models were also used to examine the individual's approach to change surrounding diversity in the Agency's work environment.

Findings

This section reports the findings for the two research questions. First is data on the choice of dialogue participants (i.e., localized vs. cross-organizational). Second is data on strategies for implementing diversity dialogues in a workplace setting.

Localized vs. Cross-organizational

On average, eight participants of the cross-organizational group were present for each session. Attendance for the localized group averaged five participants. In this group, one participant stopped attending, citing that the dialogue would not help in career progression. Another cited job demands. One session was canceled after only two participants showed up. Several participants stopped attending without any explanation.

Discussions with participants in both groups indicated several reasons for low attendance. The dialogue activity was not valued, placing the activity at a lower priority when compared to mission-specific activities. Some participants wanted a direct connection between participation in the dialogue sessions and career advancement. The irregular scheduling and location changes were also cited as reasons for low attendance. In the last dialogue session, several localized group participants noted they initially thought participation was "mandatory." When two group members who were perceived as highly-visible in the directorate dropped out, perception that participation was mandatory shifted to "discretionary." The lack of a sustained management challenge to participate showed several of the remaining participants that the diversity dialogues were not that important.

Qualitative survey data show 100% of respondents thought participants in a diversity dialogue group should be representative of the diversity of the Agency. The majority (85.7%) thought participants in a diversity dialogue group should be drawn from across the Agency, *not* from the same directorate. Only 21.4% thought that participants in a diversity dialogue group should be from intact work groups. The statement that having people from the same work group inhibited dialogue discussion received a mixed response, with 35.7% disagreeing and 42.9% agreeing.

There was high agreement (92.4%) among respondents that their own supervisor should participate in a dialogue group. It was unclear, however, whether employees would like to have had their own supervisor participate in their dialogue group, with 35.7% agreeing and 35.7% disagreeing. While 35.7% agreed that including employees and their supervisors/managers in the same dialogue group would impede the dialogue, 21.4% *strongly disagreed.*

Implementing Diversity Dialogues in the Workplace

The culture of this workplace gives priority to the technical mission, almost to the exclusion of all other activities. Participants suggested that managers and employees do not see diversity as an integral part of mission accomplishment. They noted that, in this scientific environment diversity is seen as amorphous, without easily calculated metrics or solutions. Participant observations of management reaction to diversity issues have included denial, disregard, and avoidance. Discussion of diversity detracts from mission accomplishment and should be avoided. Diversity issues are ignored unless there is an associated problem with the task at hand. When data indicates a diversity problem, there follows a request for more data for analysis rather than any attempt to understand and address the issue.

Discussion of diversity in the workplace is difficult, takes time, and involves risk, making it hard to do in a risk-averse environment where time is a highly-guarded resource. This workplace culture leaves employees doubtful of the importance of diversity to the overall business strategy and to mission accomplishment. Dialogue participants continually talked about mixed signals when examining the Agency's response to diversity issues. The value of the

diversity dialogues initiative was questioned. One participant summed it up with, "I have to get my job done, so my interest in coming to the sessions doesn't matter, just like my diversity doesn't matter."

Other data regarding implementation of diversity dialogues in the Agency are worth noting. Given the Agency's culture, it was not surprising that 64.3% thought participation in the dialogue should be mandatory for all employees and managers. Although 78.6% disagreed that each session should be limited to one hour, 85.7% agreed that two hours for each session was sufficient time for dialogue. Participants (78.6%) agreed that dialogue sessions should be scheduled at regular intervals (e.g., weekly, biweekly, monthly). There was equal (42.8%) agreement and disagreement that scheduling 10 sessions over six months was appropriate for the dialogue, however, 35.7% *strongly* disagreed. Only 14.2% agreed they were not interested in facilitating a diversity dialogue at the Agency in the future.

Discussion

The research questions focused on participant mix and strategies for implementing diversity dialogues in a workplace setting. This section includes a separate discussion of each research question, although the findings suggest a great deal of interdependence between the two issues.

Localized vs. Cross-organizational

The data on the issue of participant mix indicate that a cross-organizational group would be preferable to one chosen from within a localized jurisdiction. While it was anticipated that the localized group in the study would establish relationships and explore diversity issues more quickly, this was not the case. The cross-organizational group progressed more quickly. This finding conflicts with the literature suggesting an intact group would fare better (Bion, 1961; Karp & Sutton, 1993).

In both groups, administrative employees had a greater drop out rate than employees from core occupations. This was surprising, given the Agency culture. The expectation was that participants holding core occupations would drop out at a greater rate because they felt pulled to the "real work." The findings suggest that individuals who are already regarded as "second class citizens" (e.g., administrative and support employees) cannot afford to increase the perception that they are not contributing to mission accomplishment by participating in "peripheral" activities. It is ironic to note that the majority of participants to drop out of the localized group were in administrative/support positions.

Attendance and level of involvement were higher for the cross-organizational group of employees. Participants from the localized group viewed the dialogues as another competing demand, albeit one with low priority. Consistent with the emphasis on the mission, dialogue participants generally opted to attend technical meetings over the dialogue sessions. There were perceived negative consequences to missing work-related meetings, while there were no perceived consequences for missing dialogue sessions.

Attendance for both groups was helped by reminder notices preceeding each session. The notes highlighted the previous session and introduced discussion questions and reading assignments for the upcoming session. Participants found the reminders helpful in providing information and structure, and in helping them to give the sessions priority on their work schedules.

Implementing Diversity Dialogues in the Workplace

Fundamentally, a diversity initiative must create awareness of diversity, its impact on the workplace, and its impact on the bottom-line (Johnson & OMara, 1992). Diversity initiatives generally must link the diversity program to the corporate culture and business objectives of the organization to be successful (Karp & Sutton, 1993; Winterle, 1993). The dialogue process represents a major shift from this philosophy. It also represents a major change for the Agency's task-oriented employees. Clearly, organizational learning was impeded by the lack of shared mental models linking diversity program initiatives and mission accomplishment. The focus on task was detrimental to dialogue attendance. Employees are quick to use the scientific method, collecting and analyzing data to solve a technical problem. When faced with a diversity issue, they take a different, more cautious approach.

Dialogue participants wanted tools and the "right answers" to questions about diversity issues. This expectation is anathema to the dialogue process. Studies show failure of diversity initiatives is often due to unclear expectations (Delatte & Baytos, 1993; Karp & Sutton, 1993). Even though participants understood the purpose, they sometimes viewed the dialogues as "training" and were frustrated at times when there were no "right answers" available.

Despite the occasional frustration, participants commented that they learned about self and had a greater appreciation for other participants, as well as a better understanding of diversity issues through the dialogue.

Several participants noted that the dialogues were the only option for open discussion of diversity issues in their workplace. Even though participants in the study may have been predisposed to support diversity and perceived the need to participate in the dialogues pilot, they opted for work-related meetings when given a choice. The data indicate that individuals want to talk about these issues but, at work, they see the emphasis on, think they'll be rewarded more for, and would rather spend time on work directly related to mission accomplishment.

Conclusions

This study looked at the issues of participant selection and strategies for implementing diversity dialogues in an organizational setting. The data show that using a cross-organizational group of participants was preferable to a localized group. Regarding strategies for implementing dialogues in a workplace setting, it could be inferred that the Agency's culture was not conducive to the diversity dialogues process. The workplace focus on task to the exclusion of other activities, the de-emphasis on discussing non-work issues, the limited communication skills of employees and managers, and the inability to see the nexus between diversity and mission accomplishment surfaced as challenges to effective dialogue implementation in a workplace setting.

The data from this study show that the organization's management can increase participation in the diversity dialogue initiative by increasing the status of the initiative. One way to accomplish this is by directive change, making dialogue participation mandatory. Alternative options, such as showing visible support and personal participation from management may prove more beneficial to changing the culture through a participative change cycle, similar to that described by Hersey and Blanchard (1982). Mezirow (1997) suggests that in attempting a transformative learning process, an individual's "points of view are more accessible to awareness and to feedback from others"(p. 6). Transforming habit of mind requires heightened awareness and critical reflection of generalized bias. This commonly indicates the need for participative change. While mandating the program for all employees may improve attendance, the quality of that participation may not support transformative learning.

The purpose of the study was to provide an explanatory narrative in a cross-case comparison of the implementation of two pilot dialogues. It was not intended to examine the effectiveness of diversity dialogues as a specific diversity program initiative. Further research is needed addressing the larger issues of diversity program effectiveness and the linkage between diversity programs and organizational performance. This study was also limited to one organizational context and the dialogue focus limited to the issue of workforce diversity. Comparison of these results with research in other organizational contexts and focusing on other dialogue topics is warranted.

Contribution to New Knowledge in HRD

There are two primary contributions to new knowledge for HRD practitioners. First, the data show that using a cross-organizational group of participants was preferable to a localized group. Second, yet more substantive findings dealt with the issue of strategies for implementation of dialogues in a workplace setting. Arguably, there are numerous reasons for the failure of diversity program initiatives. Kormanik and Geffner (1995) show three primary restraining factors: a lack of personal responsibility and accountability, a lack of positive leadership at all levels, and a lack of visible management commitment. All three of these barriers surfaced in this pilot study, and must be strategically addressed in any workplace implementation of diversity dialogues.

Specific strategies, however, may enhance the success of dialogue implementation. Strategies include visible management endorsement giving diversity priority on par with the "real work;" senior management participation, direct involvement, and scheduling flexibility; increased positive communications throughout the workplace to give the activity greater status and priority; and an increased premium on developing "soft" skills (e.g., communication, interpersonal relations, team building). All of these may represent systemic organizational culture change.

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Evaluation of Diversity Initiatives in Multinational Corporations

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The purpose of this study was to provide information on the evaluation of diversity initiatives in multinational corporations. Eight multinational corporations headquartered in the United States were selected for this study. Two methods of data collection were used: semi-structured face-to-face interviews with diversity managers/directors, and document analysis. The study revealed that despite the difficulty in determining the impact of diversity initiatives, the corporations are making efforts to come up with measurements that can lead them to confirm the value that diversity initiatives have to the organizations profitability.

Keywords: Diversity Initiatives, Evaluation, Multinational Corporations

The changing workforce is one of the most extraordinary and significant challenges facing many organizations today. Workforce diversity is a demographic phenomenon playing upon not only American organizations but also multinational corporations and institutions in other countries around the world (Littlefield, 1995; Morosini, 1998). In addition, other business forces such as global competition and the need to remain competitive are driving diversity into organizations regardless their geographical location.

Theoretically, international business has been one of the pioneer fields in valuing diversity (Simons, 1992). Diversity, in this case, has emerged as a need for survival and success. Multinational corporations are forced to develop and implement initiatives that could lead them to capture and retain diverse customer bases not only nationally but also throughout the world (Albert, 1994; Fernandez, 1993; Florkowski, 1997; Norton & Fox, 1997). They are also required to recruit and retain a diverse workforce that mirrors its diverse market.

During the last decade, many organizations have responded to the increase in diversity with a variety of initiatives designed to manage diversity in the workplace (Arredondo, 1996; Baytos, 1995; Cross & White, 1996; Hayles & Russell, 1997; Loden, 1996; Thomas, 1996). For the purpose of this study, diversity initiatives are defined as specific activities, programs, policies and any other formal processes or efforts designed for promoting organizational culture change related to diversity (Arredondo, 1996). Examples of such initiatives include nontraditional work arrangements, such as flextime and home work stations; education and training programs intended to reduce stereotyping, increase cultural sensitivity, and develop skills for working in multicultural environments; career management programs designed to promote constructive feedback to employees, mentoring relationships, and access to informal networks; and new employee benefits, such as parental leave and dependent-care assistance (Arredondo, 1996; Hayles & Russell, 1997; Jackson, 1992;).

Morrison (1992) grouped the diversity initiatives found in 16 exemplary organizations in four groups: (a) diversity; (b) accountability; (c) development; and (d) recruitment practices. Similarly, by using several case studies based on large American corporations, Gottfredson (1992) was able to group diversity initiatives into five categories: (a) procedures to reduce ethnic and gender differences in career outcomes; (b) procedures to accommodate immigrants to the United States; (c) changes in organizational climate to value and utilize ethnic and gender differences; (d) changes in procedures or climate to accommodate individual differences among employees; and (e) decentralized problem solving to accommodate local conditions. The first three categories listed above address diversity issues related to ethnicity and gender, and the last two categories encompass all individual differences and are directed to all employees.

Several of the nation's major employing companies have started implementing a great number and variety of diversity initiatives. There are many reasons companies are implementing these initiatives in the workplace. Some of the purposes that drive diversity programs are: Compliance, harmony, inclusion, justice, and transformation (Rossett & Bickham, 1994). Wentling and Palma-Rivas (1998) interviewed diversity experts from across the United States and discovered that companies are managing diversity because it helps organizations improve productivity and remain competitive, form better work relationships among employees, enhance social responsibility, and address legal concerns. However, "it is unknown whether these programs are, in fact, producing expected gains, because so few organizations have evaluated their outcomes" (Comer & Soliman, 1996, p. 473).

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Even though there are many reasons to evaluate the impact of diversity initiatives, the lack of attention to evaluation of diversity initiatives has been reported by several authors (Comer & Soliman, 1996; Johnson, 1995; Wheeler, 1994; Triandis & Bhawuk, 1994). "To ascertain if their investments are cost effective, mechanisms should be in place to measure the success of diversity efforts" (Comer & Soliman, 1996, p. 473). Casse (1991) stated that diversity programs should be evaluated to measure the nature of return on investment to match the cost involved in them and to compare the situation before and after the program. It is also possible that "well-intentioned diversity efforts can cost an organization a great deal of time and money and yet not create any significant, lasting change" (Morrison, 1992, p. 230). According to Comer and Soliman (1996) lack of appropriate measures does not exclude organizations form assessing the impact of diversity initiatives. Conversely, it underscores dramatically the need for practitioners and researchers to develop such measures in order to determine whether organizational efforts to manage diversity are really effective.

Purpose and Scope of the Study

The purpose of this study was to identify practices, strategies, and processes that are used to evaluate diversity initiatives in multinational corporations. Overman (1992) reported that companies concerned about the value of diversity are still "struggling to find concrete ways to measure whether they are succeeding" (p. 38). An in-depth understanding was provided through this study to contribute to diminishing the lack of knowledge in the evaluation of diversity initiatives in multinational corporations. Specifically, this study addressed the following four research questions:

1. How are diversity initiatives being evaluated in corporations?
2. How is the success of diversity initiatives measured in corporations?
3. How effective are diversity initiatives in corporations?
4. What components of diversity initiatives are difficult to evaluate in corporations?

Methodology

This was a descriptive and exploratory study. Two major methods of data collection were used: semi-structured face-to-face interviews and document analysis. Interviews were conducted with workforce diversity manager/directors who are responsible for diversity initiatives in multinational corporations headquartered in the United States. The data obtained through the interviews consisted of words in the form of rich verbal descriptions (qualitative data), as well as quantitative data. Essentially, this study used a qualitative approach to answer the research questions. A quantitative method in the form of frequencies and percentages were also used to support the qualitative data. The second major method of data collection used was document analysis. Documents related to the evaluation of diversity initiatives in the multinational corporations were collected from primary and secondary sources. Documents were solicited from the corporations and from standard literature sources, such as, annual reports, community relations reports, world-wide-web, newspaper articles, and diversity-related books in which the corporations were featured. The data obtained from these documents provided insightful and enriched information that was used to confirm and verify the information provided by the study participants during the face-to-face interviews.

Population and Sample

The population for this study was composed of the 30 multinational corporations in a mid-west state in the USA listed in the book entitled, Directory of Diversity in Corporate America (1994). From those 30 corporations, a sample of eight was randomly selected to participate in the study. The population and sample that was selected for this study was ideal because in order for a corporation to be included in the Directory of Diversity in Corporate America (1994), it must meet the following criteria: (a) have extensive experience with workforce diversity, (b) be multinational corporations, (c) be allocating resources to diversity initiatives, and (d) have launched successful corporate diversity initiatives.

Eight diversity managers/directors at eight USA based Fortune 500 multinational corporations were interviewed. The diversity managers/directors work in corporations with sales varying from $10 billion to more than $50 billion, and asset from $12 billion to more that $60 billion. The number of employees in these corporations ranged from 48,100 to 378,000. The average number of employees in these eight corporations was 125,250. The study participants are employed in a variety of industries, which include the following: Food (3); Electronics (1); Chemicals (1); Petroleum (1); Pharmaceuticals (1); and Specialist Retailer (1).

Data Collection

The data were collected through interviews and document analysis. The researcher conducted face-to-face interviews with eight workforce diversity manager/directors in charge of diversity initiatives in eight multinational corporations in a mid-west state in the United States of America. The researcher developed a semi-structured interview guide to assist in collecting the data from the interviews. Semi-structured interviews were chosen because they are "reasonably objective while still permitting a thorough understanding of the respondent's opinions and the reasons behind them" (Borg & Gall, 1989, p. 452).

In addition, the researcher conducted a document analysis of written and printed materials related to the evaluation of diiversity initiatives in the multinational corporations. According to Gall, Borg, and Gall (1996), by studying past documents researchers can achieve a better understanding of present practices and issues. In addition, documents can be accessed at a time that is convenient to the researcher and saves time and expense in transcribing (Creswell, 1994).

A study advisory committee, made up of four human resource development (HRD) educators from a leading university in the USA, who have expertise in diversity, evaluation and qualitative research methods, reviewed the interview guide and study procedures. Also, to determine content validity and appropriateness of the interview guide, a pilot study was conducted with two diversity directors of the same target population for the study. There was agreement by the study's advisory committee and the pilot test participants that the study procedures, interview guide and the data being collected were appropriate for meeting the objectives of the study.

Data Analysis

The data from the interviews were content-analyzed. Content analysis is a research technique for systematically examining the content of communications--in this instance, the interview data. The researcher and another researcher associate independently analyzed the participants' responses and the related issues that arised during the interview process. No major discrepancies were found when the analyses from both researchers were compared. The researchers read the responses, put them together as complete quotations, and filed them according to the topic or issue addressed. Responses were analyzed thematically. Emergent themes were ranked by their frequency of mention and finally categorized. Data obtained through the interviews were analyzed qualitatively and quantitatively. Quantitative data were used to provide the basic research evidence, while qualitative data were used to round out the picture and provide examples.

Documents were collected and analyzed prior to, during, and after the interviews. All together there was a total of 47 related documents analyzed. Related documents obtained from the world-wide-web, corporate sources, books, newspaper articles, and so forth were all included in individual files for each of the corporations in the study. The researcher coded the related documents by relevant topic as they related to the major research questions. To further assist in ensuring the reliability of the data analysis, the researcher invited a diversity manager from a multinational corporation in the west coast to review four of the interviews. The ratings (frequencies of emergent themes) of the diversity manager matched the researchers' ratings in all of the four interviews reviewed. The same procedure was followed for the related documents analysis, which produced similar results.

Results

The results of this study are summarized in four major sections which parallel the research questions: (a) Methods for evaluating diversity initiatives, (b) How the success of diversity initiatives are measured, (c) Effectiveness of diversity initiatives, and (d) Components of diversity initiatives that are difficult to evaluate.

Methods for Evaluating Diversity Initiatives

Six (75%) of the organizations evaluate diversity initiatives. A basic theme that emerged from the study participants was that evaluating diversity initiatives effectively was difficult and time consuming. Despite the difficulty of evaluating diversity initiatives, all of the organizations in the study were attempting to measure their effects on employees and the organization. The study participants together cited twelve methods for evaluating diversity initiatives. The range of evaluations methods cited by participants numbered from 3 to 7. The average number of evaluation methods used was 4.8. Table 1 presents participants in rank order by frequency all the methods for evaluating diversity initiatives that were cited by the study.

Table 1
Methods for Evaluating Diversity Initiatives (n=8)

Method	f	%
1. Employee surveys	6	75
2. Track employment data	6	75
3. Management annual performance reviews	4	50
4. 360-degree feedback	4	50
5. Focus groups	3	38
6. Benchmarking	3	38
7. Diversity-specific surveys	3	38
8. Customer feedback	3	38
9. Informal employee feedback	2	25
10. Informal employee group feedback	2	25
11. Employee attitude surveys	1	13
12. Peer reviews	1	13

Six (75%) of the study participants indicated they used employee surveys, and another six (75%) stated that they tracked employee data to evaluate the effectiveness of diversity initiatives. The employee surveys were used to gather data from employees to determine their perceptions one to two years after the original employee survey was conducted. The data collected from these surveys gave the organization a basis for comparison from the point at which it began the initial diversity initiative effort. The corporations that tracked employee data reviewed the information to determine where improvements had been made in such areas as turnover rates, retention, hiring, and promotion of women and minorities. In addition, data were reviewed to determine if people from diverse groups were represented at all levels of the organization, especially at the top management ranks.

Half of the corporations in the study used management annual performance reviews and another half used 360-degree feedback as methods for evaluating diversity initiatives. The management annual performance reviews were used to determine if the manager's business unit was reaching effective and profitable results by fully utilizing a more diverse workforce. The 360-degree feedback process was used to provide employee feedback to management related to his or her skills and abilities in addressing diversity issues. This information was then used to better develop managers in dealing with diversity issues.

Three (38%) of the study participants reported using focus groups as a method for evaluating diversity initiatives, another three (38%) used benchmarking, another three (38%) used diversity-specific surveys, and another three (38%) used customer feedback. The focus groups were used to gather information from employees to determine their perception about the progress of diversity initiatives in the organization. Benchmarking was used to assess the company's progress related to diversity in relation to other companies who are exemplary in addressing diversity. Diversity-specific surveys were used to obtain information about the climate of the company from various diverse employee groups. Customer feedback was used to determine if their diverse customers' needs were being met by the company's products, services, and employees. In addition, informal employee feedback, informal employee group feedback, employee attitude surveys, and peer reviews were methods of evaluation of diversity used by two (25%) or one (12.5%) of the corporations.

How Success is Measured for Diversity Initiatives

The study participants were asked to specify how success is measured for diversity initiatives in their corporations. The study participants cited fifteen methods for measuring success of diversity initiatives. The range of methods cited by participants numbered from 5 to 12. The average number of methods used was 8.5. Table 2 presents in rank order by frequency all the methods for measuring success of diversity initiatives that were cited by the study participants.

Table 2
Methods for Measuring Success of Diversity Initiatives (n=8)

Method		f	%
1.	Leadership commitment	8	100
2.	Representation of diversity at all level of the organization	8	100
3.	Measure progress against stated goals and objectives	6	75
4.	Diversity initiatives are assisting to meet the company's strategic plans goals	6	75
5.	Promotion rates	5	63
6.	Hiring rates	5	63
7.	Turnover rates	5	63
8.	Retention rates	5	63
9.	Absenteeism rates	5	63
10.	Performance ratings	3	38
11.	Attitude and behavioral change	3	38
12.	Employee satisfaction	3	38
13.	Complains about diversity issues	2	25
14.	Work group performance	2	25
15.	External recognition and awards	2	25

All of the study participants indicated that they looked at leadership commitment as a way of measuring success of diversity initiatives. According to the study participants, there is an indication of success if leaders in the organizations are committed and supportive of diversity initiatives and are willing to allocate resources to help ensure the success of diversity efforts. All the participants also reported using representation of diverse populations at all levels of the organization as a method for measuring the success of diversity initiatives.

Six (75%) of the corporations studied measured their success by observing goals and objectives attained, and another six (75%) noticed if diversity initiatives were assisting in meeting the goals of the company's strategic plan. If they achieved their goals, then they could conclude that the diversity initiatives were successful.

Five (63%) of the study participants reported using promotion rates, hiring rates, turnover rates, retention, and absenteeism rates as methods for measuring success of diversity initiatives. These measures were set to obtain their objective of creating and maintaining a diverse workforce and also of meeting Affirmative Action requirements.

Three (38%) of the study participants indicated they use performance rates, attitude and behavioral change, and employee satisfaction as methods for measuring success of diversity initiatives. These measurements were often achieved through performance appraisals, conducting informal employee feedback, and general observations.

Complaints about diversity issues, work group performance, and external recognition and award were used by two (25%) of the corporations studied as methods for measuring success of diversity initiatives. It is interesting to note that although only two (25%) of the study participants identified external recognition and award for measuring success, the review of the related documents revealed that all of the corporations had received widespread public recognition for their exemplary human resource practices related to diversity. For example, half of the corporations in the study were included in the book, The Best 100 Companies for Minorities, three (38%) were included in the book, Best Companies for Working Mothers, two (25%) had received the Catalyst Award for innovative efforts in providing equal opportunity for women and minorities, and another two (25%) had received the Manufacturer of the Year Award for its community citizenship and commitment to women and minority employees.

How Effective Diversity Initiatives Have Been

The study participants were asked to specify how effective the corporation's diversity initiatives had been. Six (75%) of the study participants stated that the diversity initiatives have been very effective and have had a positive impact on employees and the organization. Two (25%) of the study participants indicated that the

effectiveness and impact have been average, meaning that diversity initiatives have had a relative success. These two research participants based their opinions on just perceptions because (a) it was too early to judge the effectiveness or impact of the diversity initiatives and (b) there was no hard data available at the time the interviews took place.

The following statements were made by the study participants on the degree of effectiveness or impact of diversity initiatives.

> 'Some examples of our success are the positive feedback that we get from our employees regarding the benefits of our diversity efforts, such as training. Also, the positive feedback we get when we do presentations about how and why we are addressing diversity. From what I sense and hear, diversity is very well received in this organization. The employees are beginning to feel much better and they sense that managers are now walking the talk."

One of the study participants indicated that their diversity initiatives have been successful because (a) the minority representation has changed throughout the organization and (b) their diversity initiatives are being highly benchmarked. For them that meant that many other organizations have followed their example regarding diversity initiatives. This study participant stated,

> "We know that the number of women has increased tremendously. There was a time when very few women were working in this corporation. We know that there is a major shift in the employee make up. Women are now represented in all key departments and this is a major shift in terms of how we've grown and changed. Sometimes we get external recognition by impartial organizations for our efforts in providing opportunities for women."

Another study participant said, "We have very good results based on our diversity initiatives and top management is very happy with our work and progress and the impact we are having on the company." Still another study participant stated,

> "We have been very effective in that we have raised diversity awareness throughout the entire organization from top to bottom. The organization as a whole understands the value and business impact of diversity. This has resulted in many more business units implementing diversity related initiatives."

The two study participants who indicated that it was too early to judge success and effectiveness of diversity initiatives had this to say: 'Effectiveness and impact should be data driven. I can't give you any hard data because I need another year. However, based on perceptions and generally speaking diversity is well supported." The other study participant stated,

> 'It is going to take a while before we really know how successful and effective we are going to be, because we are talking about a cultural change and this is going to take time. We realized that it is going to be at least a three to five year effort. Therefore, it is too early for us to judge our successes and effectiveness."

Components of Diversity Initiatives That Are Difficult to Evaluate

The study participants were asked to identify the components of diversity initiatives that were difficult to evaluate. The study participants cited six components of diversity initiatives that were difficult to evaluate. The range of components cited by participants numbered from 2 to 4. The average number of components cited was 3. Table 3 presents in rank order by frequency all the components of diversity initiatives that are difficult to evaluate that were cited by the study participants. Six (75%) of the study participants indicated that impact of diversity on bottom-line (profitability) was difficult to evaluate. Another six (75%) stated that impact of diversity on productivity was difficult to evaluate. According to the study participants, bottom-line (profitability) impact and productivity are two of the greatest challenges in evaluating the effectiveness of diversity initiatives. The reasons for these challenges were that bottom-line (profitability) and productivity are influenced by so many factors that it was difficult to isolate the specific diversity initiatives that caused the increased productivity or profit levels.

Five (63%) of the study participants found it extremely difficult and time consuming to evaluate the return-on-investments of diversity initiatives. These participants indicated that they did not have an effective method for measuring the profitability gain that resulted from the money invested on diversity initiatives.

Behavior changes and employee attitudes were mentioned as difficult to evaluate by three (38%) of the study participants. Attitudes and behavioral changes were seen as difficult to evaluate because they may take a long time to occur and many times may go unnoticed. One of the study participants stated that internal readiness to launch diversity initiatives was difficult to evaluate. Internal readiness meant that employees and managers were ready to accept diversity as part of the organizational culture. This was seen as difficult because there was no effective way to determine if organizational members were ready for this change, which was seen as necessary and critical for effective implementation of diversity initiatives

Table 3
Components of Diversity Initiatives That Are Difficult to Evaluate (n=8)

Method	f	%
1. Impact of diversity on bottom-line (profitability)	6	75
2. Impact of diversity on productivity	6	75
3. Return-on-investment	5	63
4. Behavior changes	3	38
5. Employee attitudes	3	38
6. Internal readiness	1	38

Discussion

This study found that all corporations were attempting to evaluate the effects of their diversity initiatives on employees and organizations. The study also revealed that, in an attempt to evaluate their diversity initiatives, each company uses a variety of methods. This finding does not support the findings reported by Morrison (1992). She found that very little is being done in evaluating particular diversity practices. What this study revealed is that evaluation of particular diversity initiatives seems to be rather new among the corporations that participated in the study. This study also found that effectiveness of evaluations is a major concern. The corporations in this study seem to recognize that diversity initiatives need to be evaluated. Because of the emphasis on evaluation and well-elaborated tools some corporations have to evaluate diversity initiatives, it is possible to conclude that evaluation is becoming a more important part of the process of diversity initiatives. Other authors have also emphasized the importance of conducting evaluations for diversity initiatives (Arredondo, 1996; Jackson and Associates, 1992; Morrison. 1992; Rynes and Rosen; 1995). Evaluation is an on-going process and is critical to the success of any diversity initiative.

This study also examined how corporations measure the success of their diversity initiatives. Leadership commitment and representation of diversity at all levels of the organizations were the most common ways for measuring success. These findings are consistent with results obtained in this area by Wheeler (1996). He examined the corporate practices in diversity measurement, and what he found was that leadership commitment is a critical measurement component to ensuring that the organizational culture supports diversity initiatives.

This study identified impact on bottom-line, impact on productivity, and return-on-investment as the components most difficult to evaluate for diversity initiatives. Similar areas difficult to evaluate were reported by a study conducted by Wheeler (1996). Wheeler's study revealed that productivity, growth, and profitability of diversity strategies remain the most challenging and difficult areas to measure. There seem to be at least two reasons people in corporations have identified bottom-line, productivity, and return-on-investments as difficult to evaluate. These areas are usually affected by many variables, and it is difficult to isolate cause-effect relationships (Wheeler, 1994). Interestingly, even when there might be an increase in profitability and productivity due to diversity initiatives, it is difficult to prove that diversity is the reason for such improvement (Morrison, 1992). Another reason might be that people do not have the necessary knowledge, skills, and experience to determine the overall impact of diversity initiatives. Despite the difficulty in determining the impact of diversity initiatives, the participants in this study were making efforts to come up with measurements that can lead them to confirm the value that diversity initiatives have to the organization's profitability.

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Change: The Japanese Workplace and the Aging Workforce

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The Japanese workplace is changing as the workforce ages. Japan's population is aging faster than any country in the world. In 2000, one in four workers will be over the age of 55. Lifetime employment, fewer advancement opportunities, and retirement issues are problems arising in the Japanese workplace. The impact of this aging workforce is crucial for the employees and for the companies as they plan for employment opportunities of the 21st century.

Keywords: Japanese, Workplace Changes, Aging

As the 21st century begins, the workforce of Japan is aging faster than any other country in the world. In 1997, the Japanese population aged 65 years and older exceeded the number of children under 15 years of age by 50,000 (Kawanishi, 1997). Although 50,000 is a relatively small number in populace terms, this occurrence advanced Japan to the forefront of countries that are also experiencing an increase in their older population (Japan Insight, Population, 1999).

Soon Japan's population of over 125 million will experience even more demographic changes. First, there is a declining growth rate that dropped to 0.25 percent in 1999 ("Population Grows," 1998). Second, life expectancy in Japan has greatly increased due to the drop in infant mortality, advances in medicine, and a general interest to maintain good physical fitness (Campbell & Campbell, 1991; Japan Insight, Background, 1999). Immediately after World War II, few Japanese could expect to live past the age of 55. Now a Japanese woman's life expectancy is 83 and a Japanese man's life expectancy is 76 (Kawanichi, 1997; Japan Insight, Population, 1999; Campbell and Campbell, 1991). By the year 2020, these emerging population trends will result in a society where one out of every four people in Japan will be 65 years or older (Japan Insight, The Graying, 1999).

Japan recognizes that this graying population has a far-reaching impact on the Japanese workforce and human resource issues now and in the future. In 1998, the Japanese Ministry of Labor predicted that one in four workers in Japan would be over the age of 55 by the year 2000 (Japan Insight, The Graying, 1999). This fact reflects new corporate changes that include: (1) higher labor costs, (2) fewer senior positions, (3) greater financial demands for severance pay of retirees and pension benefits after retirement, (4) lack of employment opportunities for older employees who want to continue to work, (5) lower mobility for workers, and (6) change in training methods. The retirement age of 55 is changing to age 60 and beyond, and new hiring, training, and retraining methods are being initiated in order to eliminate workforce problems (Japan Insight, The Graying, 1999). Although many traditions and lifestyle preferences of the Japanese work environment remain constant, the increase of older employees in the workforce in the 21st century is definitely creating change.

Problem Statement

Japan's workforce is aging rapidly. Many of these older employees were secure in lifetime employment, a practice long associated with Japan. Employees worked for the same company after graduation from high school or college until retirement. Companies recruited young workers directly from school and directed their careers through in-house training and development programs. Today, as a result of this aging workforce, changes are occurring not only in the lifetime policy, but also in workforce practices and retirement issues. These changes are creating new challenges and redirecting hiring, training, and development programs for Japanese companies. After decades of job security, many Japanese workers are experiencing changes in their employability and uncertainties of job opportunities and career advancement.

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Research Questions

The research considered the following questions:

- What social influences have made an impact on the Japanese workplace?
- What workplace changes are the Japanese older workers now experiencing?
- As the Japanese workforce ages, what human resource development (HRD) and retirement issues are evolving?
- What future work opportunities are available to Japanese pre- and post-retirement workers?

Theoretical Framework

Many Japanese workers are now in the post- or pre-retirement stages of their lives. They have worked diligently throughout the post-War era and have been instrumental in building Japan into one of the world's leading industrial countries. Most have lived through the phase of urbanization that developed with massive post-War migrations from the agricultural areas of Japan to industries and businesses of the cities (Japan Insight, Background, 1999). The lives of this post-War generation of older workers, mainly the men, have been dominated by routines of working many hours a week, commuting long distances to work, and having limited family and community involvement. Although they are eligible to retire or are near retirement, many are active, healthy, and want to continue working ("Population Grows," 1998). Japanese companies are being challenged to decide how older workers can best fit into the workplace and how they can adjust to the transitions of change both before and after retirement.

Methodology

This international study focuses on the impact of aging employees in the Japanese workplace and their transition to changes occurring in the workplace. Several qualitative methods were combined for this investigation. Information on current changes in the Japanese workplace was obtained through literature written in English or translated from Japanese into English.

Case Studies

Case studies involved both in-depth interviews and observations of persons who represented older employees. Discussions spanned a one-year period and focused on their preparation for training or re-training before or following retirement. Each case study offers a viewpoint of personal work habits and future lifetime choices. In addition, the case studies offer a view of lifestyle changes that occur in pre-retirement and post-retirement stages of life. The four case studies in this paper include persons between 55 years to 68 years old. Although a similar focus of discussion topics was used in all the case studies, a flexible format permitted adjustment to differences in interests career experiences, and lifetime transitions.

Interviews and On-Site Visits in Japan

In addition to literature reviews and interviews with case study participants, company site visits in May and June of 1998 afforded an opportunity to meet with a cross-section of employees. During these visits, meetings and interviews were arranged with persons who would soon be retiring or have already retired; with non-retiring, younger employees representing the general views of workplace employees; and with managers from several Japanese companies. Because the majority of Japanese workers are men, most of the interviews were with men.

Results and Findings: New World Influences in the Japanese Workplace

Currently Japanese employees find themselves in the midst of a rapid revolution of technological and social changes that are occurring throughout the world. The course of change includes two major periods in the past fifty years ranging from post-World War II to the present. First, Japan began a high growth industrial period following the war that successfully established the country as a powerful economic world player and a strong competitor in the global marketplace. Incorporated in this industrial period were the factors of mass production and automation, coupled with an intense work ethic based on a philosophy of hard work as the basis of a good life (Naisbitt, 1997).

Second, Japan has now entered into the post-industrial period, also called the information age or the info-sphere (Spear & Mocker, 1989), which is oriented toward services and information technology. As a result,

interaction among people has become more important in society. This new society extends far beyond Japanese boundaries. Changes in lifestyles and new social trends are transforming all of Asia with unprecedented speed (Naisbitt, 1997) in this post-industrial era. Because of this evolution, older Japanese are finding that their responses to change are influencing their fundamental work routines and day-to-day lives. The quality of their futures relies on their successful transitions and adjustments to these changes.

Internationalism

Several noteworthy trends have propelled Japan into the international arena. First, as a resource-poor nation, Japan has become one of the most powerful industrial nations in the world. With the importation of raw materials, Japan manufactured products for the strict purpose of exportation. "Made in Japan" became a slogan that created a strong economic base for a post-World War II Japan. As manufacturing increased, the Japanese yen grew stronger and by the 1980s, Japan became immersed in the "bubble economy." Japan's economy flourished as companies made foreign investments and Japanese manufacturers moved production sites to foreign countries (Makino, 1997). However, in the 1990s the economy slowed and new international initiatives have become vitally important for the future of Japan.

The workplace has become more internationally involved. Currently many foreign workers travel to Japan to secure jobs. Along with the influx of foreign workers, there are also thousands of Japanese who are working in other countries as Japanese companies expand (Naisbitt, 1997). Workers have become sophisticated in world issues as they experience different cultural norms and workplace values.

The Information Age

The evolution of the Information Age is characterized by the growth of information technology and communication. The development of the silicon chip, satellites, and computer expertise instigated changes and the expansion of Japanese industries. Japan's manufacturing-based economy has changed to an information-based economy where an organizational system of top-down management may not be as applicable. The information-based society is oriented more toward individual input and the efficiency of each worker (Makino, 1997). Managers, who traditionally are the older and more senior employees, have had to adjust to the wave of information technology or have had to adjust their management approach to a more individualistic workforce.

Most managers previously relied on a support staff to perform the company's communication requirements. Computer literacy was not mandatory for job performance. Now many managers are finding that in order to communicate with clients or staff throughout the world, they must be trained in computer skills. Computer literacy has become a requirement, not a choice. Computer communication is rapidly eliminating past methods of conducting international business via the telephone and facsimiles. Also, senior managers must now apply new management skills to a computer-literate, younger staff. These changes bring more requirements to prepare, train, or retrain the workforce in order to compete internationally and to meet the demands of future jobs. Both the expansion of training programs and the retraining of workers within companies are increasing and more programs are becoming routinely necessary.

Workplace Changes

Older Japanese workers of today were recruited as new employees in the 1960s. They graduated from colleges or high schools and became the workers and salaried employees devoted to the *kaisha*, "the company," throughout their careers. The *kaisha* offered security with lifetime employment and became the pivotal focus of their lives. With this system, the company takes care of its employees and both the employees and the company give total commitment to each other. Dedication is more than contractual; it is also emotional (Narushima, 1995).

Companies that follow the lifetime system provide their own training and career development programs. These programs are focused on contributions the employee makes to the company. The possibility that the worker would ever leave to work for another company is not considered. Following comprehensive on-the-job training, the company gives various assignments as needs arise or positions open. By following this plan, employees become trained in a variety of tasks and also become familiar with the company's total organization.

Besides lifetime employment, other elements of the company's responsibilities include seniority-based wage systems, promotions systems, and enterprise-based union structure. These benefits create an organization that has a dependable, programmed compensation plan; a step-by-step career advancement system; and total dependency of employees on "the company." Long hours of work, lengthy commutes to and from work, and "after hours"

socialization among workers are all viewed as part of being loyal to the company and as a means of building social relations that Nakane (1973) refers to as an extended family.

Dramatic changes have recently occurred in the traditional concept of lifetime employment by the *kaisha*. Kobayashi (1996) describes the changes currently occurring throughout Japan as a paradigm shift from the traditional models of organizational structure to a new employability model dictated by today's economic conditions. The prolonged recession of the 1990s and the weakening of the yen have greatly impacted Japanese companies and Japan itself is experiencing new organizational rules. In addition to the changes to service-oriented and information technology-based industries and the role of internationalism, changes are occurring in consumer behavior. Employees are seeking a better quality of life as they seek less work-related daily routines. Change is also seen with the needs of an increasing older working population (Kobayashi, 1996).

Because of these changes, Japanese businesses can no longer continue in the traditional lifetime employment model. Recent graduates of colleges, universities, and high schools cannot depend on lifetime employment. New graduates now persistently search for employment but find fewer jobs are available and part-time or temporary jobs may be their only choice. Many businesses are now organizing with: (1) a core long-term group of employees, (2) a professional specialist group that does not fall under benefits of the lifetime category, and (3) a flexible, or part-time, worker group. In contrast to the lifetime model, companies now have different compensation packages, different plans of career advancement, and more competition. Greater emphasis is placed on job performance, ability, and competence (Kobayashi, 1996).

Middle-aged and older employees are finding that horizontal transferring from department to department may be impossible, and those in upward mobility or career advancement roles find securing managerial positions more difficult, if not impossible. Traditionally, companies created positions for those at a career plateau by corporate growth that created new positions (Suzuki, 1996). However, with the state of today's economy, companies are downsizing rather than expanding. In the 21 st century, new company policies affect every part of the organization. Employability and employees' specific skills as they relate to company needs are now crucial factors for permanent employment or advancement.

Issues of Retirement

The aging working population of Japan has a direct impact on changes in the Japanese workforce. Because one in four workers in Japan is over 55 years of age, companies are experiencing: (1) higher average labor costs, (2) a lack of senior positions, (3) financial demands for severance pay for retirees when they retire, (4) financial demands for pension benefits after retirement, and (5) lack of employment opportunities for the older workers (Japan Insight, Graying, 1999).

Companies with subsidiaries often transfer older workers to these firms with the idea that the transferees will serve as a liaison between the company and the subsidiary. However, problems often pass to the subsidiary companies as the transferred employee waits for the formal retirement age (Japan Insight, New Ways to Work, 1999). These employees who come from the parent company are described by the subsidiary staff as "descending from heaven" (*amakudari*) and many times cause frustration if top positions are assumed by these older employees (Suzuki, 1996). On the other hand, many "parachuted" employees have positive experiences in the subsidiary company and often provide significant services for the subsidiary.

Many companies are making efforts to accommodate the older employees. Some older or retired employees are asked to remain as consultants or to assume training or mentoring positions. Others may be rehired, hired on a part-time basis, or designated as a non-regular staff member. Even though their wages and benefits decrease, many retirees find this to be a role they enjoy. At times, companies may assist employees by establishing private businesses, developing training programs for new employees with older employees or retirees serving as lecturers, or contracting with outplacement companies to assist in finding them other employment (Suzuki, 1996).

Many larger companies now encourage early retirement in order to prevent some of these problems. Occasionally companies engage in "shoulder tapping" (*katatataki*) to encourage employees to resign voluntarily. Those who remain may be called "window gazers" (*madogiwazoku*) or "marginal employees" (*genkai shain*). Because they continue on the payroll even though their job responsibilities have decreased, they are considered to be "redundant" (Suzuki, 1996). Retirement or *teinen*, meaning "prescribed years," is a major issue in the workplace for many companies. The *teinen* system refers to age limits that are set by an organization and is a method used mainly by larger companies. Small companies, farmers, and the self-employed may not have the same rules (Campbell & Campbell, 1991). Therefore, a variety of retirement policies may apply.

According to a survey conducted by the Ministry of Labor in 1996, twelve thousand employers reported that 33.5 percent of retirees aged 50 or over had left before retirement age, and 9.3 percent had taken advantage of

early-retirement packages. This was twice as many as had retired the previous year (Japan Information Network, Old Hands, 1999).

The establishment of a mandatory retirement age has been a political issue in Japan for years. In the 1970s, the mandatory retirement age of Japanese workers was 55 or younger. In 1980, approximately half of Japanese corporations had 55 as their mandatory retirement age and half had 60. During the 1980s, the older employees expressed the desire or the need to continue to work past age 60. In 1986, the government enacted the Law Concerning the Stabilization of Employment for the Elderly People in an effort to encourage companies to retrain or hire older workers and offered incentives if the mandatory retirement age was raised from 55 to 60. By 1991, 70 percent of the companies had raised their retirement age to 60 or over. Ninety-five percent of companies with over 5,000 employees had initiated the 60 or over policy, but only 67 percent of companies with 100 employees or less had adopted the 60 or over policy.

In 1994, more legislation was enacted and in April 1998, the mandatory retirement age in Japan became 60. This action also brought the retirement age closer to the age when pension payments would begin (Japan Insight, Graying, 1999). Eligibility for pensions will be raised from 60 up to 61 in fiscal 2001, and to 65 in fiscal 2013. Employees who leave work prior to that age will not receive income until they reach the specified age (Japan Information Network, 1997).

Although many older workers look forward to retirement, others regard the pension policy with concern and express a need to continue working. Personal financial requirements are the first and major concern of retirees, but others enjoy working and want to remain active and independent. Overall many retirees do continue to work in some capacity of employment or in "second-chance" careers. Many are seeking educational or training programs to prepare them for employment in a field that may be totally different from their previous jobs. With this expanding number of retirees, adult education programs will become increasingly popular and, more importantly, specifically needed to accommodate the rapidly expanding, older population of retirees.

Case Studies

The following case studies illustrate some of the retirement issues that Japanese workers currently face. They have experienced the post-World War II workplace changes and have varied backgrounds. Many of their experiences have influenced their approach to retirement.

Case Study 1: Lawyer and Company Executive

When Mr. A entered college, he chose law for a career. The main reason he decided to pursue a law degree was to study the actions of people. He found that by observing and interpreting people's actions, he could formulate a psychological study of human nature. He finds the study of people from different cultures and their approach to living particularly challenging to understand. After graduating from Tokyo University with a degree in law, Mr. A became a traditional Japanese businessman who was employed by a company directly out of college and worked for one company throughout his career. Because of this traditional work pattern in the Japanese culture, he never thought about moving or changing jobs or joining another company. He was dedicated to the company throughout his total working career. The company provided him with security, stability, and lifetime employment.

As a participant in this lifelong career system, Mr. A proceeded through the standard steps of advancement and promotions within the company. Exhibiting managerial skills, he assumed a career track that led him into the executive level of the company. During this time period, his only education or on-the-job training came from co-workers or by observation and participation. There were no classes or formal educational programs.

One trait that Mr. A has always had is curiosity. This curiosity led him to ask questions and to want to know more about the total business operations. One specific area was international business. After working for his company for over twenty-five years, he decided to apply for an overseas position in the United States. After being selected for the position, he became a vice-president of the company's corporate office in the United States.

When he first arrived in the United States, he felt he was in a classroom of cultural differences and surprisingly found his English to be much less proficient than he had thought. He began to adapt to the Western corporate environment, American's traditions, business procedures, and cultural differences. After five years as the corporate vice-president, he and his family returned to Tokyo where he assumed his previous position in his company. Upon his return, he recalls he had cultural shock to Japanese workplace culture. Commuting schedules were different, work hours were different, business procedures were different, and dedicated company time was now more demanding. He had to totally readjust to the Japanese workplace cultural environment.

Because of his age, Mr. A changed job positions and was reassigned as a corporate manager to a subsidiary company of his parent company soon after his return. Again, Mr. A found new challenges and did not look upon this time in his life as a "downsizing" time. It was a leveling time; it was a time to look toward the future. Knowing that he would retire at the end of three years from the subsidiary company, he began to make retirement plans. He began an intensive training program to acquire computer skills and to learn about software applications. Mr. A knew that when he officially retired at 65, he would enter a new career. He wanted to work as an international consultant. To do this, he had to be current in all aspects of his profession as well as technology. His international experience offered him choices throughout the world. Currently, Mr. A is working in the United States as a consultant and hopes to remain active in the workplace for several more years.

Case Study 2: Company Manager

Growing up in a small rural village in northern Japan, Mr. B was interested in pursuing a career in business. Through the traditional steps of education, he graduated from college with a degree in economics. Following college graduation, he began the process of becoming an employee in a lifelong employment relationship. Mr. B joined a large Japanese trading company and began a career that involved business management. One of his job requirements involved international travel. When Mr. B was offered the opportunity to move to England to assume a managerial position, he eagerly accepted and felt that this step could lead to more professional advances within his company. At the end of his three-year assignment, he and his family returned to Japan and Mr. B assumed his previous position.

As prescribed by many Japanese workplace policies, he followed gradual advancement in managerial roles within his company. He had an office staff and did not need to use a computer or to learn computer skills. His on-the-job training was through learning the new skills necessary following promotions or advancements. He participated in only a few formal educational programs.

Mr. B will soon retire and expresses concern for many of the issues that he is facing in the near future. He does not want to accept a position in the Silver Society, a Japanese term for old-age status. Some of the issues he is facing involve what to do with his life, how to fill his days with activities that are of interest to him, and how to adjust to being at home fulltime. The last issue is of particular concern because his normal daily schedule has been leaving home early for work and getting home late. He feels that both he and his wife will have many adjustments to make and a need to become reacquainted.

- Mr. B is not particularly interested in computers or in learning how to use them. He is interested in golf, but feels the cost is prohibitive in Japan. He does not have many friends in his home community and his work friends are either still working or live long distances away. Because of his work schedule, he has been limited in developing hobbies and presently finds reading to be the most relaxing and satisfactory way to spend his leisure time. He is not sure that participating in either educational or volunteer programs is what he wishes to do immediately upon retirement. Mr. B will retire in a year. His company has downsized his managerial role and he is presently performing in a mentoring capacity for younger employees.

Case Study 3: U.S. Military Employee

Ms. C, at the age of 69, looks forward to new challenges and exhibits a great curiosity for life. Born in Yokosuka, Japan, in 1930, she saw Yokosuka grow from a small naval port town to a suburban city of Tokyo. By 1941, Yokosuka Naval Base was well known throughout the world for shipbuilding, and by the beginning of World War II, this area was a major player for support as a military command center (Thompkins, 1981).

Early in Ms. C's education, her family had other plans for her. Because of her "good brain," she was destined to pursue a formal education in the public schools of Yokosuka rather than follow the typical education of Japanese girls. Her education was influenced by many of the changes made to the school systems under American Occupation. One of the major changes made by the Occupation forces was the elevation in the status of women. Military authorities felt that since Japanese men were working to support their families, the Japanese women were better suited to assist in reconstruction efforts (Thompkins, 1981).

Because of this woman-oriented initiative, Ms. C had a career "door" of opportunity opened for her, an opportunity unheard of for women. She had been a diligent student and had chosen "hard" subjects instead of "soft" studies ("girl-stuff such as cooking") in her education programs. With a talent for languages, she was top in her English class. She was introduced by one of her teachers to an American personnel representative on Yokosuka Navy base. At the age of 20, she was temporarily employed by the base to work in the housing department. Later she was hired to be a negotiator-interpreter for American military staff and families who moved into the Yokosuka

area. Because of the lack of base housing, living quarters were often needed off base. Ms. C served as a "go-between" for the U.S. Navy housing office in Yokosuka and Japanese realtors or individuals willing to rent to Americans.

In her early years of employment, this was a difficult job and the position demanded much diplomacy for success because of suspicions between Americans and Japanese. However, through this job, she felt that she was able to learn many things. Although she never obtained a college degree, she was exposed to many learning and educational experiences. She relates, "I learned much knowledge in psychology, communication, and international relations."

Ms. C was one of the few Japanese women at that time who worked in a professional position. She also is one of the few Japanese women who began her career as a young adult and continued working until 1988 when she retired at the age of 58, the mandatory retirement age at that time. Through these years, Ms. C saw many changes in the workplace; however, in her role most were American military changes, not Japanese policies. The military from 1950 to 1988 hired many Japanese nationalists and the workplace environment often was a mixture of cultures. Other changes were use of computers and an increase in the number of women in the workplace. During the discussion of her career, she expressed that the workplace was a part of her life that always required adaptation to change.

Case Study 4: International Executive

Mr. D has had a career transition similar to that of Mr. A and Mr. B. Within the Japanese traditional role of a businessman, Mr. D has followed the lifetime track of education, company employment, company promotions, and career advancement. His personal life has included a college degree, long work hours, little family time, and limited formal or on-the-job educational or training opportunities.

Two differences occur in Mr. D's profile. First, his job required frequent travel and he was away from Japan for many weeks or months throughout his career. He is internationally astute, having been on short-term assignments or recurring travel to many different countries throughout the world. The second difference is that he retired two years ago but is in the "boomerang" position where he is continuing to work for his parent company as a consultant. This trend of rehiring former employees, particularly as consultants in managerial positions, is becoming more visible in Japan.

Mr. D enjoys his new position and, although his hours can still be long and some travel is necessary, the overall demands of his position have lessened and he is able to have more leisure time with his family. Through necessary job-related computer requirements, Mr. D is a novice in operating a computer. He does not discount that improving his computer skills may be an educational option he will pursue when he has to permanently retire next year. He feels that computer literacy is a necessity for everyone in today's business world.

Conclusions and Recommendations

The changes in the Japanese workplace come with challenge. Today's generation of older workers is facing workplace and lifestyle challenges that are different from any previous generation. This Silver Society of Japan, the 55 or older individuals, has worked hard to build the economy after World War II. They are postwar pioneers who have initiated new technology to meet the challenges of the 21st century.

The majority of this generation joined in a postwar exodus from rural surroundings to urban or suburban areas in the cities of Japan. This generation has adapted to Westernized innovations and technology and assisted in establishing Japan as one of the major industrial nations in the world. However, today's workplace is changing. No longer can an employee depend on lifetime employment. The information age has arrived and computer skills are essential for job performance. Internationalism and the global economy have opened the workplace to all areas of the world. Workplace values, competitiveness, and new competencies are evolving.

Change has also occurred with the older and retiring employees. Many older workers are rejecting traditional retirement roles. They are healthy and active and want to pursue new career opportunities, to work part time, or to volunteer in community organizations. Most are more self-reliant than previous generations; they are more affluent and better educated; and they are ready to adapt to a more independent lifestyle.

Change and diversification are key factors in the values and lifestyles of this generation and are apparent in their attitudes. Culturally, many older adults hold fast to traditional concepts and feel that society is changing too fast. They are concerned that the old ways are being cast off too readily. They fear that respect for the elderly and for the wisdom that supposingly comes with age is diminishing among the younger generation. Many feel that

society now views older workers or retirees as post-productive individuals who create a potential burden to workplace and to society. With these observation, many express the belief that change is inevitable and that they need to become a participant in society rather than a observer.

Research Contribution

The goal of this research is to enhance and expand the knowledge of HRD by:

- Exploring new trends that are occurring and have developed in the Japanese workplace.
- Contributing to the understanding of changes occurring in the lives of the Japanese older worker.
- Highlighting the challenges and choices of future work for older adults in Japan.
- Generating further research questions on the roles and workplace options for older adults.

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